Supreme Court, U.S.
FILED

03 234 AUG 11 2003

No. ___

IN THE

Supreme Court of the United States

DR. SAKHARAM D. MAHURKAR,
Petitioner,

v.

NIRO, SCAVONE, HALLER & NIRO AND C.R. BARD, INC,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

PETITION FOR A WRIT OF CERTIORARI

DAVID A. STRAUSS
1111 East 60th Street
Chicago, IL 60637
(773) 702-9601

GARY L. PRIOR*
DEBORAH E. DECKER
TABET DIVITO & ROTHSTEIN LLC
180 N. LaSalle Street, Suite 1510
Chicago, IL 60601
(312) 762-9472

* Counsel of Record

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

50 pp

QUESTIONS PRESENTED

The Anti-Injunction Act, 28 U.S.C. 2283, provides in part: "A court of the United States may not grant an injunction to stay proceedings in a State court except * * * where necessary * * * to protect or effectuate its judgments." In this case, petitioner brought a state court malpractice claim against the attorney who had represented him in prior federal litigation. The attorney, asserting that rulings entered in the federal litigation precluded petitioner's malpractice claim, obtained, from the federal district court, an injunction against petitioner's efforts to prosecute that claim in state court.

The questions presented are:

1. Whether the exception to the Anti-Injunction Act for injunctions "necessary * * * to protect or effectuate [the court's] judgments" permitted the district court to issue an injunction in favor of the attorney, who was not a party to the prior federal litigation or a beneficiary of any prior federal judgment.

2. Whether the district court had jurisdiction to grant such an injunction.

3. Whether the United States Court of Appeals for the Federal Circuit had jurisdiction over the appeal of the district court's order.

PARTIES TO THE PROCEEDING

The parties are identified in the caption. Respondent C.R. Bard, Inc., did not participate in the proceedings below in either the district court or the court of appeals.

TABLE OF CONTENTS

	Page
QUESTION PRESENTED	i
PARTIES TO THE PROCEEDING	ii
TABLE OF AUTHORITIES	iv
OPINIONS BELOW	1
JURISDICTION	2
STATUTES INVOLVED	2
STATEMENT	2
REASONS FOR GRANTING THE PETITION	5
I. The District Court's Order Violated The Anti-Injunction Act	7
II. The District Court Lacked Jurisdiction To Enter The Injunction.	12
III. The Federal Circuit Did Not Have Jurisdiction Over The Appeal.	14
IV. This Case Is Appropriate For This Court's Review	16
CONCLUSION	20
APPENDIX A	1a
APPENDIX B	2a
APPENDIX C	7a
APPENDIX D	13a
APPENDIX E	16a

TABLE OF AUTHORITIES

CASES Page

Amalgamated Clothing Workers v. Richman Bros. Co., 348 U.S. 511 (1955) 10, 11
Atlantic Coast Line R.R. Co. v. Brotherhood of Locomotive Eng'rs, 398 U.S. 281 (1970) 8, 10, 11
California v. Randtron, 284 F. 3d 969 (9th Cir. 2002) 17
Chick Kam Choo v. Exxon Corp., 486 U.S. 140 (1988) ..... *passim*
Christianson v. Colt Indus. Operating Corp., 486 U.S. 800 (1988) 14-15
County of Imperial v. Munoz, 449 U.S. 54 (1980) 8
Golden v. Pacific Maritime Ass'n, 786 F. 2d 1425 (9th Cir. 1986) 16
Hill v. Martin, 296 U.S. 393 (1935) 8
Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc., 535 U.S. 826 (2002) 7
Hutton Constr. Co., Inc. v. International Fidelity, No. 97-7868, 1998 WL 398811 (2d Cir. Apr. 21, 1998) 16
In the Matter of Mahurkar Double Lumen Hemodialysis Catheter Patent Litigation, 831 F. Supp. 1354 (N.D. Ill. 1993), aff'd, 71 F. 3d 1573 (Fed. Cir. 1995) 2
Kidder, Peabody & Co., Inc. v. Maxus Energy Corp., 925 F. 2d 556 (2d Cir.), cert. denied, 501 U.S. 1218 (1991) 18
Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375 (1994) 13-14, 17, 19
Mitchum v. Foster, 407 U.S. 225 (1972) 12
Owen Equip. & Erection Co. v. Kroger, 437 U.S. 365 (1978) 13

TABLE OF AUTHORITIES—Continued

	Page
Parsons Steel, Inc. v. First Alabama Bank, 474 U.S. 518 (1986)	10
Peacock v. Thomas, 516 U.S. 349 (1996)	13-14, 19
Pratt v. Paris Gaslight & Coke Co., 168 U.S. 255 (1897)	14-15
Prudential Ins. Co. Sales Practice Litig., In re, 261 F. 3d 355 (3d Cir. 2001)	16
Quintero v. Klaveness Ship Lines, 914 F. 2d 717 (5th Cir. 1990), cert. denied, 499 U.S. 925 (1991)	16
Riggs v. Johnson County, 73 U.S. 166 (1868)	13
Rivet v. Regions Bank, 522 U.S. 470 (1998)	12, 19
Staffer v. Bouchard Transp. Co., 878 F. 2d 638 (2d Cir. 1989)	9, 16
Syngenta Crop Protection, Inc. v. Henson, 537 U.S. 28 (2002)	19
Thomas v. Powell, 247 F. 3d 260 (D.C. Cir.), cert. denied, 534 U.S. 951 (2001)	9, 16, 18
Toucey v. New York Life Insurance Co., 314 U.S. 118 (1941)	10-11, 12
Wayman v. Southard, 23 U.S. 1 (1825)	13
Wesch v. Folsom, 6 F. 3d 1465 (11th Cir. 1993), cert. denied, 510 U.S. 1046 (1994)	18
Younger v. Harris, 401 U.S. 37 (1971)	11
STATUTES AND RULE:	
All-Writs Act, 28 U.S.C. 1651	19
Anti-Injunction Act, 28 U.S.C. 2283	*passim*
28 U.S.C. 1254(1))	2
28 U.S.C. 1294(1)	14
28 U.S.C. 1295(a)(1)	14-16
28 U.S.C. 1338	14-16
28 U.S.C. 1367	13, 15-16

TABLE OF AUTHORITIES—Continued

	Page
28 U.S.C. 1441	19
35 U.S.C. 284	3
35 U.S.C. 285	3
42 U.S.C. 1983	11
Fed. Cir. R. 36(e)	17

IN THE

Supreme Court of the United States

No. ___

DR. SAKHARAM D. MAHURKAR,
Petitioner,

v.

NIRO, SCAVONE, HALLER & NIRO AND C.R. BARD, INC,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

---

PETITION FOR A WRIT OF CERTIORARI

Dr. Sakharam Mahurkar respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The order of the court of appeals (Pet. App. 1a) is unreported. The written opinion of the district court (Pet. App. 2a-6a) is reported at 209 F. Supp. 2d 911. An earlier oral opinion of the district court (Pet. App. 7a-12a) is unreported. The opinions of the district court in prior related proceedings (Pet. App. 13a-15a; Pet. App. 16a-22a) are unreported.

JURISDICTION

The judgment of the court of appeals was entered on May 12, 2003. Pet. App. 1a. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1). The jurisdiction of the district court is addressed at pages 12-14, *infra*. The jurisdiction of the court of appeals is addressed at pages 14-16, *infra*.

STATUTES INVOLVED

The Anti-Injunction Act, 28 U.S.C. 2283, provides:

> A court of the United States may not grant an injunction to stay proceedings in a State court except as expressly authorized by Act of Congress, or where necessary in aid of its jurisdiction, or to protect or effectuate its judgments.

28 U.S.C. 1295 provides in part:

> (a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—
>
> (1) of an appeal from a final decision of a district court of the United States * * * if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title * * *.

28 U.S.C. 1338 provides in part:

> (a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents * * *.

STATEMENT

1. Petitioner, Dr. Sakharam Mahurkar, is a nephrologist and a highly successful inventor of medical devices. See, *e.g.*, *In the Matter of Mahurkar Double Lumen Hemodialysis Catheter Patent Litigation*, 831 F. Supp. 1354, 1357-58 (N.D. Ill. 1993), aff'd, 71 F. 3d 1573 (Fed. Cir. 1995). Respondent Niro, Scavone, Haller & Niro ("Niro") is a law firm, one of

whose members, Raymond Niro, represented petitioner in litigation against respondent C.R. Bard, Inc.

In that litigation, petitioner first established that Bard infringed certain patents belonging to petitioner. *Mahurkar v. Bard*, No. 92 C 4803, 1993 WL 2594446 (N.D. Ill.), aff'd, 79 F. 3d 1572 (Fed. Cir. 1996) (*Bard I*). When Bard continued to infringe the patents, petitioner, represented by Niro, initiated a new suit against Bard. *Mahurkar v. Bard*, No. 96 C 1871 (N.D. Ill.) (*Bard II*). Petitioner sought enhanced damages, see 35 U.S.C. 284, and attorney's fees, 35 U.S.C. 285. *Bard II* was assigned to Judge Zagel of the United States District Court for the Northern District of Illinois, who had also presided over *Bard I*.

During the course of the *Bard II* litigation, a dispute over fees arose between Niro and petitioner. Ultimately, in August, 1996, petitioner discharged Niro as counsel. A835-36.[1] In the meantime, Niro had urged petitioner, in very strong terms, to settle the Bard litigation for single damages, forgoing attorney's fees and enhanced damages. See A367-68. In June 1996, petitioner signed a settlement offer, but Bard did not agree, and petitioner stated (in a document submitted to the district court by Niro) that no settlement had been reached. A804-05.

In November, 1996, Bard filed a motion with Judge Zagel to enforce a settlement that, it urged, had in fact been reached with petitioner in June. Judge Zagel concluded, after a hearing, that a settlement had been reached in June of 1996, and he dismissed all claims in *Bard I* and *Bard II*. Pet. App. 13a-15a. Judge Zagel noted that "this case is not free from difficulty and both sides have something to say. * * * Both sides have made decent arguments [and] this is not a case in which the testimony and the exhibits present a seamless web supporting only one result." Pet. App. 17a, 19a, 21a. His

---

[1] "A" refers to the Appendix filed with the court of appeals.

ultimate conclusion relied in significant part on Raymond Niro's testimony that petitioner had authorized and agreed to a settlement. Pet. App. 19a-20a, 21a. Judge Zagel's order enforcing this settlement between petitioner and Bard and dismissing the *Bard* suits was affirmed on appeal, without opinion. *Marhukar v. Bard*, 155 F. 3d 574 (Fed. Cir. 1998), cert. denied, 525 U.S. 1106 (1999).

2. In October 1996—after Niro was discharged by petitioner but before Bard had sought to enforce the alleged settlement—Niro sued petitioner in the Circuit Court of Cook County, Illinois, seeking approximately $11.5 million in fees that Niro alleged petitioner owed from the *Bard* cases and from other litigation. A290-99. Petitioner later counter-claimed in state court against Niro, asserting that Niro committed malpractice in connection with the settlement of the *Bard* cases. A42-60. Specifically, petitioner alleged that Niro, after being discharged by petitioner, encouraged Bard's attorney to argue that a settlement had been reached and helped Bard's attorney construct Bard's argument in support of that claim. Petitioner sought, as damages, the attorney's fees and enhanced damages award that he would have obtained had the *Bard II* litigation proceeded to trial. See A59.

Three years after petitioner's malpractice counterclaim was filed, Niro applied to Judge Zagel, in the Northern District of Illinois, for an injunction barring petitioner from pursuing the major aspect of his malpractice counterclaim in state court. Niro did not bring an independent action for an injunction but instead styled this application as a "motion" in the *Bard II* litigation.[2]

---

[2] Motion of Niro, Scavone, Haller & Niro and Raymond P. Niro To Enjoin Further Proceedings By Sakhamam D. Mahurkar Inconsistent With The Court's July 10, 1997 Judgment, *Mahurhar v. Bard*, Civ.

The district court granted Niro's motion in part. The district court asserted: "There is no question that I have jurisdiction in this matter pursuant to the Anti-Injunction Act, 28 U.S.C. §2283, which permits a district court to enjoin a state court proceeding to 'protect or effectuate its judgments.'" Pet. App. 3a n. 1. The court acknowledged that "the injunction would be in favor of Niro, who was not a party to [the Bard litigation.]" *Id.* at 3a n. 2. But the district court asserted that "[t]here is no prohibition on non-mutual issue preclusion in the Anti-Injunction Act" (*ibid.*). Accordingly, the court ruled, the fact that Niro was not a party "does not prevent Niro from seeking its injunction." *Ibid.* The district court then enjoined petitioner "from claiming in the state court proceedings that [petitioner] and Bard did not reach a settlement of [the Bard litigation]" (*id.* at 5a). The district court further enjoined petitioner "from claiming that he did not understand, agree to or authorize the settlement of" that litigation. *Ibid.*

Petitioner appealed the district court's ruling to the United States Court of Appeals for the Seventh Circuit. The Clerk of the district court transferred the case to the Federal Circuit. Petitioner moved to transfer the case back to the Seventh Circuit on the ground that the Federal Circuit lacked jurisdiction over the appeal. The Federal Circuit ordered that the jurisdictional issue be considered with the merits. A1072. The Federal Circuit then summarily affirmed the judgment of the district court, without ruling explicitly on the Anti-Injunction Act or jurisdictional issues. Pet. App. 1a.

REASONS FOR GRANTING THE PETITION

This case presents an important and recurring question about the scope of the Anti-Injunction Act, 28 U.S.C. 2283.

Action Nos. 96 C 1871, 92 C 4803 (N.D. Ill. Feb. 14, 2002) (hereinafter "Niro Motion").

That Act, which generally forbids federal courts to issue injunctions that interfere with ongoing state proceedings, contains an exception for injunctions that are "necessary * * * to protect or effectuate [the federal court's] judgments." In this case, the district court interpreted that exception to permit Niro to obtain an injunction against petitioner's state court malpractice claim, even though Niro was not a party to any prior federal judgment.

The district court's ruling, which was affirmed by the court of appeals, was erroneous. It cannot be squared with the language of the Anti-Injunction Act. The prior federal judgment was fully "effectuate[d]" without the aid of an injunction—Bard had the benefit of that prior judgment and would retain it no matter what happened in petitioner's malpractice action—and that judgment did not need any "protect[ion]" from petitioner's malpractice action, which did not seek to, and could not, obstruct the implementation of that judgment in any way.

Beyond that, the district court's ruling is inconsistent with a fundamental principle of judicial federalism: that a state court litigant who has a federal defense to a state claim must, except in extraordinary circumstances, assert that claim in the state proceedings rather than bypassing the state proceedings by obtaining an injunction from a federal court. Niro's defense of issue preclusion was no different from any other federal defense. The state courts were fully able to consider it; they are "presumed competent to resolve" it (*Chick Kam Choo v. Exxon Corp.*, 486 U.S. 140, 150 (1988)); and requiring Niro to litigate this issue in state court would not have imposed any unreasonable burden on him.

The district court's erroneous interpretation of the Anti-Injunction Act also led it to assert jurisdiction when it had none. In some circumstances, a district court has ancillary jurisdiction to enter orders that are needed to ensure that its judgments will be enforced, and Niro sought to

invoke that jurisdiction. But this form of ancillary jurisdiction unquestionably does not extend to a claim by a party who, like Niro, is not a beneficiary of any judgment.

Although the decision below is seriously mistaken, it is not an outlier. Several other courts of appeals—although not all—have taken the same incorrect approach to the Anti-Injunction Act. That approach is perhaps encouraged by language in this Court's opinions that has been taken out of context by several lower courts; those courts have misinterpreted this Court's statements as authorizing them to use the "necessary to protect or effectuate judgments" exception as a basis for displacing the state courts whenever a state court defendant raises a claim of preclusion based on a prior federal judgment. That interpretation of the Anti-Injunction Act is thoroughly misconceived. Further review is therefore warranted.

In addition, the United States Court of Appeals for the Federal Circuit lacked jurisdiction over petitioner's appeal from the district court's order. Recent decisions of this Court have emphasized the limited scope of the Federal Circuit's jurisdiction, which exists only when "the action arises under federal patent law." *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 829 (2002). It is clear that petitioner's request for an injunction did not arise under federal patent laws, and the Seventh Circuit, not the Federal Circuit, should have heard petitioner's appeal. For this reason, too, this Court's review is warranted.

I. The District Court's Order Violated The Anti-Injunction Act.

1. The Anti-Injunction Act generally forbids federal courts from granting injunctions against state court proceedings.[3]

---

[3] There is no question that the Anti-Injunction Act applies to injunctions directed to the parties to state court litigation rather than to the

The district court relied on the exception to the Anti-Injunction Act for injunctions "necessary * * * to protect or effectuate [the court's] judgments." But the very terms of that exception demonstrate that it does not apply here. The only relevant judgment entered by the district court was a judgment in the litigation between petitioner and Bard, and petitioner's malpractice claim did not in any way threaten that judgment. Nothing that happened in state court could possibly have impaired the interests of Bard, the beneficiary of that judgment. Indeed, Bard, which had notice of Niro's effort to seek an injunction, did not even appear in the proceedings below. The malpractice claim did, of course, potentially affect Niro's interests. But Niro had no rights at all under the district court's prior judgment and no basis for invoking an exception limited to "effectuat[ing]" and "protect[ing]" that judgment.

The district court recognized that Niro was not a party to the prior federal litigation and was not a beneficiary of the judgment. But the court ruled that this was immaterial because "[t]here is no prohibition on non-mutual issue preclusion in the Anti-Injunction Act." Pet. App. 3a n. 2. The district court thus appears to have treated the "necessary to protect and effectuate judgments" exception as if it simply embodied the defenses of claim preclusion and issue preclusion (or res judicata and collateral estoppel, as they are also called); since nonmutual issue preclusion is generally

---

state courts themselves. *Atlantic Coast Line R.R. Co. v. Brotherhood of Locomotive Eng'rs*, 398 U.S. 281, 287 (1970); *County of Imperial v. Munoz*, 449 U.S. 54, 58-59 (1980). It is also clear that the Act's strictures "cannot be evaded" (*Atlantic Coast Line R.R. Co.*, 398 U.S. at 287) by framing the injunction as one that nominally allows a party to press a claim in state court while forbidding the party to advance its arguments, as the district court did here. See, *e.g.*, *Hill v. Martin*, 296 U.S. 393, 403 (1935) (Brandeis, J.) (The term "proceedings" "is comprehensive. It includes all steps taken or which may be taken in the state court * * * from the institution to the close of the final process.")

accepted in the federal system, the district court reasoned, there is no obstacle to a non-party's invoking the exception to the Anti-Injunction Act.

The district court and the court of appeals below are not alone in taking this view; certain other courts of appeals have interpreted the "necessary to protect and effectuate judgments" exception in the same way. See *Thomas v. Powell*, 247 F. 3d 260, 262-63 (D.C. Cir.), cert. denied, 534 U.S. 951 (2001); *Staffer v. Bouchard Transp. Co.*, 878 F. 2d 638, 644-45 (2d Cir. 1989). These courts, like the courts below, treat the exception to the Anti-Injunction Act as if it were phrased to allow an injunction when necessary to enforce "traditional preclusion principles" (*Thomas*, 247 F. 3d at 262).

But that is not what the Anti-Injunction Act says. It does not refer to "traditional preclusion principles." It does not say that a district court may enter an injunction to ensure that proper preclusive effect is given to its findings of fact or conclusions of law. It does not single out defenses based on preclusion and say that those defenses, unlike others, may be the basis for a federal injunction against state court proceedings. It does not use the terms "preclusion," "res judicata," or "collateral estoppel." The Act speaks of the protection and effectuation of judgments. If a state court proceeding does not threaten to interfere with the implementation of a judgment—and petitioner's malpractice claim unquestionably did not—that proceeding cannot be enjoined under this exception to the Anti-Injunction Act.

2. There is no justification for treating the language of the Act casually, as if Congress's choice of the terms "protect and effectuate judgments" was a way of gesturing toward "traditional preclusion principles." This Court has repeatedly and explicitly rejected that approach to the Anti-Injunction Act: the exceptions to the Act, the Court has admonished, "are narrow and are 'not [to] be enlarged by loose statutory

construction.'" *Chick Kam Choo v. Exxon Corp.*, 486 U.S. 140, 146 (1988), quoting *Atlantic Coast Line R.R. Co. v. Brotherhood of Locomotive Eng'rs*, 398 U.S. 281, 287 (1970) (brackets in original). "[It is] clear beyond cavil that the prohibition [of the Anti-Injunction Act] is not to be whittled away by judicial improvisation." *Amalgamated Clothing Workers v. Richman Bros. Co.*, 348 U.S. 511, 514 (1955).

Perhaps more important, the language of the "necessary to protect or effectuate judgments" exception was carefully chosen to deal with a specific situation, one that is not present here. As the Court has explained, this exception was added to the Act in 1948 "to overrule this Court's decision in *Toucey v. New York Life Insurance Co.*, 314 U.S. 118 (1941), in favor of the understanding of prior law expressed in Justice Reed's dissenting opinion" in that case. *Parsons Steel, Inc. v. First Alabama Bank*, 474 U.S. 518, 524 (1986). In *Toucey*, parties who had lost in federal court initiated state court litigation against the very parties who had prevailed in federal court, on essentially the same claims. That state court litigation, had it succeeded, would have produced a judgment in direct conflict with the federal judgment. This Court, in *Toucey*, held that the unamended Anti-Injunction Act did not permit a federal court to enjoin such state litigation; Congress, persuaded by Justice Reed's dissent, amended the Act to overturn that holding.

The crucial feature of *Toucey* was that it was "the prevailing party in the federal action" who "sought an injunction against relitigation in state court" (*Parsons Steel*, 474 U.S. at 524). That feature is absent here. Congress overturned *Toucey* because the holding in that case undermined—as Justice Reed put it—"the power of a federal court to protect those who have obtained its decrees" against state court relitigation of "the same causes of action." *Toucey*, 314 U.S. at 141-42 (Reed, J., dissenting). The language Congress added was directed to precisely this situation—

where "those who have obtained [federal] decrees" are threatened with state litigation of "the same causes of action." Niro did not obtain any federal judgment, and it is not being forced to relitigate any cause of action. That is why the "necessary to protect and effectuate judgments" exception, read according to its plain language, did not permit the injunction in this case.

3. The district court's reading of the Anti-Injunction Act is not only inconsistent with its language; it is also inconsistent with one of the most fundamental principles of our judicial federalism. Many parties who are defendants in state court proceedings raise federal defenses to the state claim, as Niro did here. But a party in that position ordinarily must raise that defense in the state proceedings and not bypass the state judicial system by seeking an injunction in federal court. "[W]hen a state proceeding presents a federal issue, * * * the proper course is to seek resolution of that issue by the state court." *Chick Kam Choo*, 486 U.S. at 149-50. "Proceedings in state courts should normally be allowed to continue unimpaired by intervention of the lower federal courts, with relief from error, if any, through the state appellate courts and ultimately this Court." *Atlantic Coast Line R.R. Co.*, 398 U.S. at 287. That is true when the federal defense is based on the preemptive effect of a federal statute, see *id.* at 287; *Amalgamated Clothing Workers*, 348 U.S. at 514-16; it will normally be true even when the federal defense is based on the Constitution, see *Younger v. Harris*, 401 U.S. 37 (1971);[4]

[4] The policy against federal injunctions of state court proceedings is so strong that the Court announced a judicially-created rule forbidding federal injunctions against state enforcement actions (see *Younger*, 401 U.S. at 43-54) that operated in addition to any limits imposed by the Anti-Injunction Act (see 401 U.S. at 54). See *id.* at 43 (referring to "this longstanding public policy against federal court interference with state court proceedings."). The Court subsequently concluded that suits to enforce constitutional rights brought under 42 U.S.C. 1983 fall within the Anti-Injunction Act's exception for injunctions "expressly authorized" by

a fortiori, it should be true when the federal defense is based on nonmutual issue preclusion.

When state litigation threatens to reopen a federal judgment—when there is a risk that "a federal judgment entered perhaps after years of expense in money and energy * * * comes to nothing that is final" (*Toucey*, 314 U.S. at 144 (Reed, J., dissenting))—then an injunction may be warranted. But in this case there was no threat to the finality of the federal judgment. In these circumstances, Niro's collateral estoppel defense was no different from any other federal defense to a state law claim. As this Court "emphasize[d]" in a related context—specifically discussing preclusion defenses—that defense "is properly made in the state proceeding, subject to this Court's ultimate review." *Rivet v. Regions Bank*, 522 U.S. 470, 472 (1998).

II. The District Court Lacked Jurisdiction To Enter The Injunction.

Niro did not file a complaint in the district court; instead, it filed a "motion" in the previously dismissed *Bard* litigation.[5] The district court's assertion that "I have jurisdiction in this matter pursuant to the Anti-Injunction Act" (Pet. App. 3a n.1) is, of course, patently wrong, since the Anti-Injunction Act does not confer jurisdiction under any circumstances. The only basis of jurisdiction asserted by Niro—and the only possible basis on which the district court could have

---

Congress, see *Mitchum v. Foster*, 407 U.S. 225, 243 (1972), but there is no suggestion that that exception is applicable here.

[5] The question of jurisdiction would ordinarily be addressed before the question whether the Anti-Injunction Act barred the district court's order. But because the district court explicitly hinged its jurisdiction on the applicability of the Anti-Injunction Act exception, we have addressed that question first. As we explain, the district court's erroneous assertion of jurisdiction is related to its mistaken interpretation of the Anti-Injunction Act.

jurisdiction over Niro's motion—would be some form of ancillary jurisdiction that would link Niro's prayer for relief to the *Bard* litigation, which had been properly before the district court before it was dismissed. See 28 U.S.C. 1367; *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375, 379-80 (1994); *Owen Equip. & Erection Co. v. Kroger*, 437 U.S. 365, 376 (1978).[6]

In fact, however, there was demonstrably no ancillary jurisdiction over Niro's motion. In cases where the "necessary to protect or effectuate judgments" exception truly applies, a district court will generally have what this Court has described as "ancillary enforcement jurisdiction." *Peacock v. Thomas*, 516 U.S. 349, 356 (1996). But this form of jurisdiction is—as the Court has repeatedly insisted—strictly limited in scope. It extends only to "what courts require in order to perform their functions." *Kokkonen*, 511 U.S. at 380. "Ancillary enforcement jurisdiction is, at its core, a creature of necessity." *Peacock*, 516 U.S. at 359. Unless the assertion of jurisdiction is "essential to the conduct of federal-court business" (*Kokkonen*, 511 U.S. at 381), a court may not assert this kind of jurisdiction. See also *Riggs v. Johnson County*, 73 U.S. 166, 187 (1868); *Wayman v. Southard*, 23 U.S. 1, 23 (1825) (Marshall, C.J.).

Jurisdiction over Niro's claim—an effort to enforce nonmutual issue preclusion in favor of a person who was not a party to any prior federal judgment—cannot, with any plausibility, be said to be "essential to the conduct of federal-court business." In both *Peacock v. Thomas, supra*, and *Kokkonen v. Guardian Life Ins. Co, supra*, the Court refused to allow lower courts to exercise ancillary enforcement

---

[6] In its motion, the only bases of jurisdiction asserted by Niro were "28 U.S.C. §§2283 and 1637" (Niro Motion at 2). The reference to 28 U.S.C. 1637 is a typographical error (there is no such statute); 28 U.S.C. 1367, the supplemental jurisdiction statute, was obviously intended.

jurisdiction on behalf of parties who were the beneficiaries of federal judgments, and who were at serious risk of being denied the benefit of those judgments—parties who had far stronger claims to federal judicial protection than Niro does.

Ancillary enforcement jurisdiction does extend to "the exercise of a federal court's inherent power to enforce its judgments." *Peacock,* 516 U.S. at 356; see *Kokkonen*, 511 U.S. at 380. But as this Court specifically stated: "Our recognition of these supplementary proceedings has not, however, extended beyond attempts to execute, or to guarantee eventual executability of, a federal judgment." *Peacock*, 516 U.S. at 357. Niro is not attempting to execute nor to secure the executability of a federal judgment.

It follows that the district court below lacked jurisdiction. This erroneous assertion of jurisdiction—which is, in the way we have described, bound up with the lower courts' mistaken interpretation of the Anti-Injunction Act—also warrants further review.

III. The Federal Circuit Did Not Have Jurisdiction Over The Appeal.

The court of appeals erred by asserting jurisdiction over the appeal. The jurisdiction of the United States Court of Appeals for the Federal Circuit extends to "an appeal from a final decision of a district court of the United States * * * if the jurisdiction of that court was based, in whole or in part, on Section 1338" of Title 28. 28 U.S.C. 1295(a)(1); see 28 U.S.C. 1294(1). Section 1338 of Title 28, in turn, confers original jurisdiction over "any civil action arising under any Act of Congress relating to patents * * * ."

Niro's claim, of course, did not arise under any "Act of Congress relating to patents." As the Court has said, in a case involving the jurisdiction of the Federal Circuit: "[I]n order to demonstrate that a case is one 'arising under' federal patent law 'the plaintiff must set up some right, title or interest under

the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction of these laws.'" *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 807-08 (1988), quoting *Pratt v. Paris Gaslight & Coke Co.*, 168 U.S. 255, 259 (1897). Niro's claim, quite plainly, does not satisfy this test: it rested not on the patent laws but on the alleged preclusive effect of a prior judgment, and on Niro's alleged right to injunctive relief under the Anti-Injunction Act.

Niro, in filing a motion in the *Bard* litigation, sought to engraft its claim upon the *Bard* cases, which did arise under the patent laws (although they had long since been dismissed). As we have said, it is apparent that the district court had no ancillary jurisdiction over Niro's motion, and the district court did not purport to assert ancillary jurisdiction over that motion. But even if the district court somehow was entitled to entertain Niro's motion on a theory of ancillary jurisdiction, the district court would not be exercising jurisdiction pursuant to Section 1338. Congress has codified the various forms of ancillary and pendent jurisdiction in the supplemental jurisdiction statute, 28 U.S.C. 1367. Indeed, Section 1367 was the only jurisdictional provision that Niro invoked in support of its motion. See note 6, *supra*.

In this case, therefore—assuming, contrary to our submission, that the district court did have jurisdiction—the only possible statutory basis for jurisdiction over Niro's motion was Section 1367, not Section 1338. The Federal Circuit therefore had no jurisdiction over the appeal. We of course recognize that, in some instances, the Federal Circuit should be able to hear cases in which jurisdiction over certain claims is based on Section 1367. If the Federal Circuit has before it, in a single appeal, both a claim arising under the patent laws and a related claim that was within the district court's supplemental jurisdiction, the Federal Circuit would be able to decide both claims. This follows from the language

of 28 U.S.C. 1295(a)(1), which authorizes the Federal Circuit to exercise jurisdiction when a district court's jurisdiction was based "in whole or in part" on Section 1338.

In this case, however, the aspects of the case that arose under the patent laws were completely concluded by the time the case reached the Federal Circuit. The only matter before the district court was unrelated to the patent laws. The Federal Circuit therefore lacked jurisdiction over the appeal.

IV. This Case Is Appropriate For This Court's Review.

The issue presented by this case is certain to recur. Indeed, at least three other cases essentially identical to this one—cases in which attorneys who were not parties to the prior federal litigation sought injunctions against state court malpractice actions—have reached other courts of appeals. See *Thomas v. Powell, supra; Golden v. Pacific Maritime Ass'n*, 786 F. 2d 1425 (9th Cir. 1986); *Hutton Constr. Co., Inc. v. International Fidelity*, No. 97-7868, 1998 WL 398811 (2d Cir. Apr. 21, 1998). Those courts upheld the injunctions, interpreting the "necessary to effectuate or protect judgments" exception to the Anti-Injunction Act, as the courts below did, to incorporate preclusion doctrines wholesale. See, *e.g., Golden*, 786 F. 2d at 1427-28. Other court of appeals decisions, also involving injunctions sought by nonparties to the prior litigation, have interpreted the Anti-Injunction Act in this way, as well. See, *e.g., Staffer*, 878 F. 2d at 644-45.

On the other hand, there are court of appeals decision that have taken a more restrained view, carefully finding, as a predicate for holding that the Anti-Injunction Act exception applied, that the federal court injunction "did nothing more than enforce" the prior federal judgment. See, *e.g., In re Prudential Ins. Co. Sales Practice Litig.*, 261 F. 3d 355, 370 (3d Cir. 2001); see also *Quintero v. Klaveness Ship Lines*, 914 F. 2d 717, 721 (5th Cir. 1990),

cert. denied, 499 U.S. 925 (1991); *California v. Randtron*, 284 F. 3d 969, 975 (9th Cir. 2002) (emphasis added; citation omitted): "A relitigation injunction is proper *where a federal litigant has prevailed on the merits, but is threatened with burdensome and repetitious relitigation* of the same issues in subsequent actions."

Because the position taken by the district court in this case has become entrenched in other courts of appeals that wrote opinions supporting their conclusion, it should not matter that the court of appeals below disposed of this case summarily. In any event, under the Rules of the Federal Circuit, the court of appeals' summary affirmance of the district court's decision denotes agreement with the district court's analysis of the Anti-Injunction Act and jurisdictional issues. See Fed. Cir. R. 36(e) (affirmance without opinion is appropriate when "a judgment or decision has been entered without an error of law"). In *Kekkonen v. Guardian Life Insurance Co., supra*—a case, like this one, in which a federal district court, concerned that state courts might not adequately implement its rulings, overreached its authority and asserted power it did not have—this Court granted review even though the court of appeals' decision was unpublished and even though, so far as appears from this Court's opinion, there was no conflict in the circuits. See 511 U.S. at 377.

Finally, the erroneous construction of the Anti-Injunction Act by some lower courts appears to be the product of those courts' misinterpretation of statements in this Court's opinions. In particular, in *Chick Kam Choo v. Exxon Corp., supra*, this Court remarked that the "necessary to effectuate or protect judgments" exception to the Anti-Injunction Act "was designed to permit a federal court to prevent state litigation of an issue that previously was presented to and decided by the federal court." 486 U.S. at 147. The Court added that the exception "is founded in the well-recognized concepts of *res judicata* and collateral estoppel." *Ibid.* Some lower courts

have taken these remarks as license to treat the Anti-Injunction Act exception as if it simply embodied those defenses and allowed an injunction to issue against any state relitigation of a federal court's finding of fact or conclusion of law, irrespective of whether there was any need to "protect or effectuate" a "judgment." See, *e.g.*, *Thomas*, 247 F. 3d at 262-63; *Kidder, Peabody & Co., Inc. v. Maxus Energy Corp.*, 925 F. 2d 556, 565 (2d Cir.), cert. denied, 501 U.S. 1248 (1991); see also *Wesch v. Folsom*, 6 F. 3d 1465, 1471 (11th Cir. 1993), cert. denied, 510 U.S. 1046 (1994) (applying *state* res judicata principles in interpreting exception).

In *Chick Kam Choo*, this Court was careful to say that prior litigation of the issue was a necessary condition, not a sufficient condition, for the application of the exception; prior litigation was, in the Court's words, "an essential *prerequisite*" for applying this exception. 486 U.S. at 148 (emphasis added). The Court never said that the exception applied whenever a claimant had a valid preclusion defense. The lower courts, however, have misinterpreted this Court's reference to the preclusion defenses as equating the exception with those defenses. The result has been an expansion of the exception in a way that cannot be squared with its language or history, or, as we have said, with basic principles of judicial federalism. Given the developments in the lower courts, and the fact that this Court's language is playing a role in those developments that the Court could not have intended, this Court should intervene now: it is unlikely that a court of appeals will issue an opinion that explicitly conflicts with a trend in the lower courts that appears to be (although it is not in fact) supported by this Court's language in *Chick Kam Choo*.

It is not surprising that federal district judges, like the judge below, might overreach on behalf of a party who is asserting a preclusion defense in state court. It is a natural instinct for a federal judge to think that issues concerning the

preclusive effect of that judge's rulings are uniquely within his or her competence and should not be left to another judge—in this case, to the judges of the state court system. That is perhaps why, in a number of recent cases, this Court has had to overturn the decisions of lower federal courts that wrongly asserted the power to displace state courts when an issue arose about the preclusive effect of a federal judgment.

That was true, for example, in *Rivet v. Regions Bank*, 522 U.S. 470 (1998), which involved an effort to remove a case on preclusion grounds, see 28 U.S.C. 1441; in *Syngenta Crop Protection, Inc. v. Henson*, 537 U.S. 28 (2002), in which the lower court erroneously relied on the All-Writs Act, 28 U.S.C. 1651, to take an issue away from the state courts; and in *Kokkonen v. Guardian Life Insurance Co. supra,* and *Peacock v. Thomas, supra,* which concerned the scope of ancillary jurisdiction. In each of those cases, the party seeking federal intervention on preclusion grounds had a far more plausible claim to federal judicial protection than Niro does. But in each of those cases, the Court granted review to make clear that the text of the relevant statutes, and the basic principles of judicial federalism, continue to apply, even when a judge believes that his or her own rulings may not receive sufficient deference. The misinterpretation of the Anti-Injunction Act, exemplified by the decisions of the courts below, is the latest manifestation of this tendency. This Court should grant review to correct it.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

DAVID A. STRAUSS
1111 East 60th Street
Chicago, IL 60637
(773) 702-9601

GARY L. PRIOR*
DEBORAH E. DECKER
TABET DIVITO & ROTHSTEIN LLC
180 N. LaSalle Street, Suite 1510
Chicago, IL 60601
(312) 762-9472

* Counsel of Record

August 11, 2003